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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:)	Chapter 11
CELSIUS NETWORK LLC, <i>et al.</i> , ¹)	Case No. 22-10964 (MG)
Debtors.)	(Jointly Administered)

**THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS' *EX PARTE* MOTION
TO REDACT AND FILE UNDER SEAL CERTAIN CONFIDENTIAL DISCOVERY
MATERIAL SUBMITTED IN CONNECTION WITH THE COMMITTEE'S
CLASS CERTIFICATION MOTION**

The Official Committee of Unsecured Creditors (the “**Committee**”) appointed in the

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

chapter 11 cases (the “**Chapter 11 Cases**”) of the above-captioned debtors and debtors-in-possession (collectively the “**Debtors**”) submits this *ex parte* motion (the “**Motion**”) to redact and file under seal certain confidential discovery material submitted in connection with the Committee’s Class Certification Motion (as defined below) and respectfully states as follows:

Relief Requested

1. By this Motion, the Committee seeks entry of an order, substantially in the form attached hereto as **Exhibit A** (the “**Order**”), authorizing the Committee to redact and file under seal certain confidential Discovery Material² that the Committee relies upon in support of the *Motion of the Official Committee of Unsecured Creditors to (I) Certify the Class of Account Holders Asserting Non-Contract Claims Against the Debtors, (II) Appoint Thomas DiFiore, Rebecca Gallagher, and Ignat Tuganov as the Class Representatives, and (III) Appoint White & Case LLP as Class Counsel, in Each Case Pursuant to Bankruptcy Rule 7023* (the “**Class Certification Motion**”), filed contemporaneously herewith.

Jurisdiction and Venue

2. The United States Bankruptcy Court for the Southern District of New York (the “**Court**”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the Southern District of New York*, entered February 1, 2012. The Committee confirms its consent to the Court entering a final order in connection with this motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgment in connection herewith consistent with Article III of the United States Constitution.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the *Confidentiality Agreement and Stipulated Protective Order* (the “**Protective Order**”), D.I. 790 (Sept. 13, 2022)

3. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are sections 105(a), 107(b) and 107(c) of title 11 of the United States Code (the “**Bankruptcy Code**”), rule 9018 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and rules 9013-1, 9018-1, and 9037-1 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Rules**”).

Background

5. On July 13, 2022 (the “**Petition Date**”), the Debtors filed voluntary petitions for relief in this Court under Chapter 11 of the Bankruptcy Code. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession under sections 1107(a) and 1108 of the Bankruptcy Code.

6. On July 27, 2022, the U.S. Trustee appointed the Committee, which is composed of seven members, each of whom holds crypto (or digital) assets through the Celsius platform [D.I. 241].

7. On September 13, 2022, the Court entered a protective order, establishing certain procedures to designate information, documents, and things exchanged in, or subject to, discovery in these Chapter 11 Cases as Confidential Material or Highly Confidential Material [D.I. 790] (the “**Protective Order**”).

8. On April 10, 2023, White & Case LLP, as counsel to the Committee, filed the *Motion of the Official Committee of Unsecured Creditors (I) for Authority to File a Class Claim Asserting Non-Contract Claims on Behalf of Account Holders or (II) to Appoint a Third-Party Fiduciary to Assert a Class Claim on Behalf of Account Holders* [D.I. 2399] (the “**Class Claim Motion**”). Through the Class Claim Motion, the Committee sought authority to file a class proof of claim or other representative action asserting non-contract claims against Celsius Network

Limited and other Debtor entities on behalf of all account holders of the Debtors.

9. On April 18, 2023, the Court entered the *Order Granting the Motion of the Official Committee of Unsecured Creditors' (I) for Authority to File a Class Claim Asserting Non-Contract Claims on Behalf of Account Holders or (II) to Appoint a Third-Party Fiduciary to Assert Non-Contract Claims on Behalf of Account Holders* [D.I. 2496] (the “**Class Claim Order**”).

10. On April 28, 2023, White & Case filed Proof of Claim No. 29068 on the Debtors’ claims register (the “**Class Claim**”) in accordance with the Class Claim Order and pursuant to Federal Rule of Civil Procedure 23, made applicable to this matter by Federal Rules of Bankruptcy Procedure 7023 and 9014, on behalf of claimants Thomas DiFiore, Rebecca Gallagher, and Ignat Tuganov in their individual and representative capacities (the “**Class Representatives**”). *See also Notice of Filing of Class Proof of Claim by the Official Committee of Unsecured Creditors on Behalf of the Class Representatives Asserting Non-Contract Claims on Behalf of Themselves and Other Similarly Situated Account Holders* [D.I. 2556].

11. In connection with the Class Claim Order and the Class Claim, the Committee has filed its Class Certification Motion contemporaneously herewith seeking, among other things, to certify the class of all account holders with respect to the Class Claim. Certain information in the Class Certification Motion, as well as the exhibits thereto, contains sensitive business, financial, and personal information that the Debtors or another party have designated Confidential or Highly Confidential Discovery Material.

12. In accordance with the Protective Order, the Committee seeks to redact and file under seal limited portions of the Class Certification Motion, and the exhibits attached thereto, in each case containing such confidential information. The redacted Class Certification Motion is attached hereto as **Exhibit B**. The *Declaration of Andrea Amulic In Support of the Motion of the*

*Official Committee of Unsecured Creditors to (I) Certify the Class of Account Holders Asserting Non-Contract Claims Against the Debtors, (II) Appoint Thomas DiFiore, Rebecca Gallagher, and Ignat Tuganov as the Class Representatives, and (III) Appoint White & Case LLP as Class Counsel, in Each Case Pursuant to Bankruptcy Rule 7023 (the “Amulic Declaration”), along with the redacted versions of the exhibits attached to the Amulic Declaration, are attached hereto as **Exhibit C.***

Basis for Relief

13. Section 107(b) of the Bankruptcy Code provides bankruptcy courts with authority to issue orders that will protect entities from potential harm resulting from the disclosure of certain confidential information. Section 107(b) provides, in relevant part, that “[o]n request of a party in interest, the bankruptcy court shall, and on the bankruptcy court’s own motion, the bankruptcy court may: (1) protect an entity with respect to a trade secret or confidential research, development, or commercial information[.]” 11 U.S.C. § 107(b).

14. Bankruptcy Rule 9018 defines the procedures by which a party may move for relief pursuant to section 107(b). Specifically, Bankruptcy Rule 9018 provides, in relevant part, that, upon a motion, “the court may make any order which justice requires . . . to protect the estate or any entity in respect of a trade secret or other confidential research, development, or commercial information.” Fed. R. Bankr. P. 9018.

1. The Debtors have asserted that certain of the information that the Committee relies on in the Class Certification Motion constitutes confidential information under the Protective Order that is protected under section 107(b) of the Bankruptcy Code and Bankruptcy Rule 9018. The Protective Order sets forth the identity of the Parties to have access to the documents to be sealed, the duration of the seal, and the obligations of the Parties following the conclusion of the

Disputes. Pursuant to the Protective Order, the Committee proposes to provide unredacted copies of the Class Certification Motion, on a confidential basis, to (i) the U.S. Trustee, (ii) the Debtors, (iii) the Series B Preferred Holders, (iv) the Class Representatives, (v) counsel to the entities identified in (ii)-(iv), (vi) any party in interest under the Protective Order entered on September 13, 2022 [D.I. 790], and (vii) any party in interest as directed by the Court.

Motion Practice

15. This Motion includes citations to the applicable rules and statutory authorities upon which the relief herein is predicated and a discussion of their application to this Motion. Accordingly, the Committee submits that this Motion satisfies Local Rule 9013-1(a).

Notice

16. The Committee will provide notice of this Motion to the following parties or their respective counsel: (a) the U.S. Trustee; (b) the Debtors; (c) the holders of the 50 largest unsecured claims against the Debtors (on a consolidated basis); (d) the United States Attorney's Office for the Southern District of New York; (e) the Internal Revenue Service; (f) the offices of the attorneys general in the states in which the Debtors operate; (g) the Securities and Exchange Commission; and (h) any party that has requested notice pursuant to Bankruptcy Rule 2002. The Committee submits that, in light of the nature of the relief requested, no other or further notice need be given.

Reservation of Rights

17. The Committee reserves all of its rights to supplement or amend this Motion and to raise additional issues with the Motion at the hearing, and to present evidence at the hearing.

Conclusion

18. WHEREFORE, for the reasons set forth herein, the Committee respectfully

requests that the Court enter an order granting the relief requested herein and other relief as the Court deems appropriate under the circumstances.

[Remainder of page intentionally left blank]

Dated: May 17, 2023
New York, New York

Respectfully submitted,

/s/ Aaron E. Colodny

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*Counsel to the Official Committee of
Unsecured Creditors*

Exhibit A

Proposed Order

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

CELSIUS NETWORK LLC, *et al.*,³

Debtors.

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Chapter 11

Case No. 22-10964 (MG)

(Jointly Administered)

**ORDER GRANTING THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS’
EX PARTE MOTION TO REDACT AND FILE UNDER SEAL CERTAIN
CONFIDENTIAL DISCOVERY MATERIAL SUBMITTED IN CONNECTION
WITH THE COMMITTEE’S CLASS CERTIFICATION MOTION**

Upon the motion (the “**Motion**”)⁴ of the Official Committee of Unsecured Creditors (the “**Committee**”) appointed in the chapter 11 cases (the “**Chapter 11 Cases**”) of the above-captioned debtors and debtors-in-possession (collectively the “**Debtors**”) for entry of an order (this “**Order**”) authorizing the Committee to redact and file under seal certain confidential Discovery Material that the Committee relies upon in the Class Certification Motion, as well as the exhibits thereto, all as more fully set forth in the Motion, pursuant to sections 105(a), 107(b), and 107(c) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rule 9018 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), and rules 9013-1, 9018-1, and 9037-1 of the Local Bankruptcy Rules for the Southern District of New York (the “**Local Rules**”); and this Court having jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the Standing Order; and this Court having found that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and this Court having found that it may enter a final order consistent with Article III of the United States

³ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

⁴ Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court having found that the notice of the Motion and opportunity for a hearing on the Motion were appropriate under the circumstances and no other notice need be provided; and this Court having reviewed the Motion; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

2. The Motion is granted as set forth herein.
3. The Committee is authorized, pursuant to sections 105(a), 107(b), and 107(c) of the Bankruptcy Code, Bankruptcy Rule 9018, and Local Rule 9018-1, to file the Discovery Material under seal and redact portions of the Class Certification Motion that includes Discovery Material.
4. The unredacted versions of the Discovery Material and Class Certification Motion shall remain confidential and not be made available to any party (other than those specified in paragraph 5 of this Order) without the Committee's consent, may not be filed on the public docket, and shall remain under seal until further order of the Court.
5. The Committee shall submit unredacted copies of the Discovery Material and Class Certification Motion to the Clerk of this Court, clearly indicating that the same has been filed under seal by order of the Court.
6. The Committee is authorized to cause the unredacted versions of the Discovery Material and Class Certification Motion to be served on and made available, on a confidential basis, to (i) the U.S. Trustee, (ii) the Debtors, (iii) the Series B Preferred Holders, (iv) the Class

Representatives, (v) counsel to the entities identified in (ii)-(iv), (vi) any party in interest pursuant to the Protective Order entered on September 13, 2022 [D.I. 790], and (vii) any party as directed by the Court.

7. Any party authorized to receive the unredacted versions of the Discovery Material or Class Certification Motion pursuant to this Order or the Protective Order shall be authorized and directed to redact specific references to the information set forth therein from pleadings filed by such party on the public docket maintained in these chapter 11 cases. If the Discovery Material or Class Certification Motion is attached or referred to in any future pleadings or documents filed with this Court relating to these Chapter 11 Cases, this Order shall apply to such pleading or document.

8. Any party who receives the Discovery Material or Class Certification Motion in accordance with this Order or the Protective Order shall not disclose or otherwise disseminate this information to any other person or entity, including in response to a request under the Freedom of Information Act.

9. The Clerk of this Court shall treat the information contained in the Discovery Material and Class Certification Motion as confidential, and counsel for the Committee shall contact the Clerk's Office regarding the return or disposition of the Discovery Material and Class Certification Motion as soon as practicable following the effective date of any chapter 11 plan in these Chapter 11 Cases or any successor cases.

10. Nothing in this Order shall restrict in any way the right of any party in interest or the U.S. Trustee to seek relief from this Court to unseal any part of the Discovery Material or the Class Certification Motion.

11. The requirements set forth in Local Rules 9013-1 and 9018-1 are satisfied by the contents of this Motion.

12. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

13. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry.

14. The Committee is authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.

15. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: _____, 2023

THE HONORABLE MARTIN GLENN
CHIEF UNITED STATES BANKRUPTCY
JUDGE